

# state employee benefits review

*Presented by the*  
**Arkansas State Employees Association**



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# **Arkansas State Employees Association**

## **State Employee Benefits Review**

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## Leave policies

*In 1972, delegates at the A.S.E.A. annual convention adopted a resolution urging passage of a uniform leave act because leave policies were inconsistent in state government. Usage and accrual of leave was at the discretion of each agency. In 1975, the General Assembly passed the Uniform Leave and Attendance Act. Act 567 allowed for certain types of leave, including annual leave, sick leave, maternity leave, leave without pay, educational leave, court and jury leave, and military leave. Act 567 has been amended several times.*

*The General Assembly and its employees; constitutional officers and their employees; prosecuting attorneys; and members of the Arkansas Supreme Court, chancery courts, the Arkansas Judicial Department, and the State Highway Department are exempt from these policies.*

### **Annual leave**

All permanent, full-time employees accrue annual leave with pay according to the following formula:

- Through 3 years      12 days annually
- 4 – 5 years            15 days annually
- 6 – 12 years          18 days annually
- 13 – 20 years        21 days annually
- Over 20 years        22.5 days annually

The minimum time charged for sick and annual leave usage is in 15-minute increments. Temporary and provisional employees are entitled to paid annual leave equal to one day per month of work completed. Part-time employees must work 1000 hours a year in a regular, salaried position to accrue leave time proportional to the time they have worked. For example, an employee working 20 hours a week will earn four hours of annual leave time each month. Emergency, hourly, intermittent, and per diem employees are not entitled to annual leave with pay.

No more than 30 days of annual leave may be carried over to the next calendar year. Agency directors may grant leave when it does not interfere with the efficient operation of the agency.

Employees must have their supervisor's approval to use leave, and it must be earned before it is used.

A retiring employee receives a lump-sum payment for his or her remaining annual leave not to exceed 30 working days, inclusive of holidays (which is to say that if the 30-day period encompasses a holiday or holidays, the employee is not reimbursed for the extra day or days in addition to the 30 days).

## ***Sick leave***

All full-time, regular, and probationary employees will accrue one sick day for each completed month of employment, including the probationary period. No more than 120 days of sick leave may be carried over into the next calendar year. Emergency, hourly, intermittent, and per diem employees do not accrue sick leave. Part-time employees' sick leave will accrue proportionally to time worked. Provisional and temporary employees may be granted one day for each completed month of employment.

Sick leave may be used for employees who are unable to work due to sickness, injury, medical treatment, or death or serious illness of a family member. Act 567 of 1975 defines a family member as "the father, mother, sister, brother, husband, wife, child, grandmother, grandfather, in-laws, or any individual acting as parent or guardian of an employee." Act 835 of 2003 expanded this definition to include grandchildren.

Act 546 of 2003 authorizes additional leave with pay up to thirty (30) days per calendar year to state and school employees serving as human organ donors and up to seven (7) days per calendar year for bone marrow donors without any loss or reduction in employees' regular pay, leave, or credited service time.

An employee is required to furnish a certificate from an attending physician for five or more consecutive days of sick leave. An agency that has a written procedure to identify patterns of sick leave usage may require an employee to furnish a certificate from an attending physician for any use of sick leave.

Upon retirement or death, employees of state agencies and classified employees at institutions of higher education (or those employees' beneficiaries) may receive compensation for accumulated unused sick leave as follows:

(1) If the employee has accumulated between 50 and 59 days of sick leave, the employee may receive an amount equal to 50% of the number of accrued unused sick leave days (rounded to the nearest day) times 50% of the employee's daily salary up to a maximum of \$7,500.

(2) If the employee has accumulated between 60 and 69 days of sick leave, the employee may receive an amount equal to 60% of the number of accrued unused sick leave days (rounded to the nearest day) times 60% of the employee's daily salary up to a maximum of \$7,500.

(3) If the employee has accumulated between 70 and 79 days of sick leave, the employee may receive an amount equal to 70% of the number of accrued unused sick leave days (rounded to the nearest day) times 70% of the employee's daily salary up to a maximum of \$7,500.

(4) If the employee has accumulated 80 or more days of sick leave, the employee may receive an amount equal to 80% of the number of accrued unused sick leave days (rounded to the nearest day) times 80% of the employee's daily salary up to a maximum of \$7,500.

Act 337 of 2011 allows non-classified employees of institutions of higher education to get compensated at the same rate as classified employees for unused accrued sick leave upon termination or death.

### ***Maternity leave***

Maternity leave may be taken before sick leave and annual leave have been exhausted. Act 129 of 1983 allows employees to take maternity leave. Maternity leave applies only to employees taking leave for the birth of a child. (See "Family and Medical Leave Act," p. 9.)

### ***Educational leave***

Permanent employees receiving out-service training may use approved educational leave if the employee returns to the agency for a specified period of time.

Tuition, fees, book costs, and transportation costs may be paid by the employer if funds have been appropriated by the General Assembly.

Employees will be entitled to the full rights of their original position when they return. The employee will be reinstated in another position with comparable pay and benefits if the original position is no longer available.

If the employee does not return to the agency, he or she shall be required to pay a portion or all of the cost of training and compensation provided to the employee during that period.

*(Educational leave is up to the discretion of the agency. Please check with your agency director regarding the policy.)*

Act 1028 of 2007 authorizes up to eight hours of leave each calendar year for a state employee to participate in his or her children's educational activities.

Act 584 of 2011 adds pre-kindergarten activities to a list of educational activities for which state employees are allowed leave time. It also adds adults with developmental disabilities to the definition of "child," within the context of the Child Educational Annual Leave (CEAL) Act, which allows for eight hours of leave a year for an employee to attend a child's educational activities.

### ***Court and jury leave***

Act 835 of 2003 allows employees who are serving as jurors, or who have been subpoenaed as a witness to give deposition in a court or hearing during normal working hours (which does not involve personal litigation, or service as a paid expert witness outside the scope of state employment) to receive normal and full compensation in addition to any fees paid for such services. The employee will not be required to use accrued sick or annual leave time and will not be discharged or suffer any other penalty if reasonable notice is given to the employee's supervisor.

### ***Military leave***

Act 586 of 1989 allows state employees who are also members of the National Guard or any of the reserve branches of the armed forces to receive 15 days each year, plus travel time, for annual training requirements without a loss in pay or annual leave time. Act 471 of 2003 authorizes up to 15 days per year of leave with pay during a calendar year to employees who are members of the United States Air Force Auxiliary Civil Air Patrol and the Coast Guard Auxiliary to participate in training programs and/or emergency and rescue services.

Any unused military leave time may be accrued until it totals 15 days. It may be used in the succeeding calendar year. Act 956 of 1991 states that 30 days is the maximum military leave time any employee can use in one calendar year.

A copy of the military orders must be attached to the leave application.

If employees are drafted, are called, or volunteer for active duty, they will be placed on extended military leave and will not receive pay. If employees return within 90 days of the release date, they will be reinstated with all rights, benefits, and seniority to their original position or one equivalent to the original position.

If employees re-enlist for a second tour of duty, re-employment rights are forfeited.

Employees called to duty by the president or the governor during a time of emergency will be granted leave with pay up to 30 days.

Act 653 of 2005 authorizes up to six days of paid leave a year for employees who have been rated as having a military-service-connected disability and who must be reexamined or treated for the disability by the United States Department of Veterans Affairs.

### ***Leave without pay***

Employees may take leave without pay for no more than six consecutive months if they have exhausted their annual leave, unless otherwise authorized by their agency director. All leave does

not have to be exhausted for maternity leave or disciplinary leave without pay. Leave time must have written advance approval by the agency director. Employees taking periods of leave without pay will be reinstated to their original position, with full rights, unless it is no longer available due to budget reduction in staff. The employee may be dismissed if he or she fails to return to work immediately after the period of leave expires without an acceptable reason approved in advance.

Act 835 of 2003 also allows the use of leave without pay during periods of inclement weather and as a means of agency budget reduction (furloughs).

Employees on leave without pay do not accrue leave time. When an employee returns, the accrual rate will not be affected, nor will the length of his or her tenure that determines the accrual rate be adjusted. For example, a ten-year employee returning from leave without pay will not have his or her accrual rate adjusted to that of a new employee; he or she will continue to collect 18 days annually.

If employees on leave without pay want to continue state-sponsored health coverage, they must pay the full amount of their premium. Employees receiving workers' compensation benefits are the only exception.

In 1989, A.S.E.A. sought legislation to authorize agency contributions for continued state health insurance contributions for employees injured on the job who are receiving workers' compensation benefits.

Act 711 was passed later that year—it provides continued employer health insurance contributions for employees on leave without pay due to a work-related injury who are receiving workers' compensation benefits.

### ***Catastrophic leave***

Delegates at the 1989 A.S.E.A. annual convention adopted a resolution urging passage of a catastrophic leave program. At the next session of the General Assembly, Act 169 and Act 91 of 1991 were passed. Act 1176 of 1999 amended the Catastrophic Leave Act, modifying it and providing similar provisions for employees of higher education institutions.

Act 169 and Act 91 allow agencies and institutions to set up a catastrophic leave bank program. Each program must be approved by the Department of Finance and Administration. The leave bank is composed of a pool of accrued sick and annual leave donated by employees.

Catastrophic leave is not available for maternity leave or routine illness, only for those illnesses deemed catastrophic. It is available after all sick and annual leave has been exhausted. As



authorized by Act 1176, state employees may also apply for catastrophic leave for catastrophic illness/injury of spouse, parent, or child, as determined by Arkansas Income Tax Code.

An employee must be employed by a state agency for at least two years, not have been disciplined or counseled for leave abuse in the previous two years, and have at least 80 hours of total leave at the onset of the injury/illness to be eligible for catastrophic leave. However, Act 194 of 2003 allows an agency director or president of an institution of higher education to waive the 80-hour minimum requirement if the director/president determines that an employee warrants eligibility for catastrophic leave because of extraordinary circumstances.

Also, Act 870 of 2009 allows a state employee who has less than two years of service with the state and who was employed by a public school district or state-supported institution of higher education to be eligible to apply for catastrophic leave. The break between the public school/institution service and the state service cannot exceed six months, and the combined years of service with the school or institution plus the state service must total more than two years.

An employee who is receiving workers' compensation benefits as a result of a work-related injury or illness may apply for catastrophic leave provided the workers' compensation benefit plus catastrophic leave does not exceed the employee's compensation at the onset of the illness or injury. An acceptable medical certificate must be on file with the agency.

The Department of Finance and Administration, as the designated agency to oversee the program, has the right to implement necessary rules and regulations for the program. The eligibility criteria for employees of higher education institutions are similar.

### ***Disaster leave***

Act 268 of 1997 authorizes paid leave for state employees who are certified by the Red Cross as disaster service volunteers to assist the Red Cross in Arkansas and contiguous states. Act 383 of 1999 authorized the same for employees of state-supported institutions of higher learning. Volunteers are restricted to a maximum of 15 days of paid leave within a calendar year when their services are requested by the Red Cross. Employees must have the consent of their agency director. Only 100 volunteers statewide may participate in disaster relief at any one time.

### ***Holidays***

Act 976 of 1975 stipulates that most state employees receive paid time off for official state holidays. The Friday after Thanksgiving, though not a state holiday, has historically been declared a holiday by an Executive Order of the Governor. The order must be given yearly for that day to be a holiday.

Twenty-four hour institutions remain open on official holidays. However, employees who work those holidays will receive a paid day off at a later time.

Pulaski County state offices remain open through holidays during special and regular legislative sessions. Not all Pulaski County employees are required to work during each holiday occurring within a legislative session. Act 306 of 1999 states that the General Assembly shall not meet on Dr. Martin Luther King Jr.'s birthday. Act 304 of 2001 created Daisy Gatson Bates day, to be celebrated on the 3rd Monday in February along with Presidents' Day.

*Arkansas' official state holidays:*

January 1 — New Year's Day

3rd Monday in January — Dr. Martin Luther King Jr.'s & Robert E. Lee's birthday

3rd Monday in February — Presidents' Day & Daisy Gatson Bates Day

Last Monday in May — Memorial Day

July 4 — Independence Day

1st Monday in September — Labor Day

November 11 — Veteran's Day

4th Thursday in November — Thanksgiving Day

December 24 — Christmas Eve

December 25 — Christmas Day

Employee's birthday

***Family and Medical Leave Act (FMLA)***

The federal FMLA provides up to 12 weeks of unpaid leave for the birth of a child and care for a newborn; placement with the employee of a child for foster care or adoption; care of employee's spouse, son, daughter, or parent with a serious health condition; and serious health conditions that interfere with the employee's ability to perform job functions.

Reduced schedule or intermittent leave may be taken for absences when the employee or family member is incapacitated or unable to perform his or her job because of a serious health condition, even without treatment by a health care provider.

To be eligible under this act, an employee must be employed by the state for 12 months and have worked 1250 hours during the 12-month period preceding leave time. Spouses who are both employed by the state are eligible for a combined 12-week leave period.

Employees requesting leave to care for a seriously ill child, spouse, or parent, or their own health condition must have a certificate issued by a health care provider. It must include the date

the health condition began, its probable duration, and the appropriate medical facts regarding the condition.

## **Retirement**

### **Public Employees Retirement System (PERS)**

*The State of Arkansas provides state retirement plans for its employees. Some employees of institutions of higher education participate in non-state managed, state-authorized retirement systems.*

*In 1974, the Arkansas State Employees Association paid for the first independent study of the state retirement systems. As a result of that study, a legislative retirement committee was established and a blue ribbon panel was formed to review the systems. The A.S.E.A. executive director served on the blue ribbon panel that recommended establishing a non-contributory retirement plan. A.S.E.A. was actively involved in passing legislation that provided “28 and Out” benefit improvements, the compounded after-retirement increases, and the PERS deferred retirement option plan.*

*Thanks in part to A.S.E.A.’s campaigning and influence, Act 104, more commonly known as 28 and Out, was passed by the 1999 General Assembly to change the normal retirement age in the Public Employee Retirement System to the younger of age 65 or at the completion of 28 years of service.*

*In the discussion below, “years of service” refers only to those years during which an employee was a member of PERS.*

***Please note:** Most employees of Higher Education are members of either the TIAA CREF retirement plan or the Teachers Retirement System (TRS).*

**Every attempt has been made to insure that the information within the State Employee Benefits Review is accurate. However, we would encourage anyone making important retirement-related decisions to confer with the Public Employees Retirement System before doing so.**

Act 793 of 1977 authorized a non-contributory plan in which only the employer, or the state, makes contributions to the system. In 2005, Act 2084 re-established a mandatory contributory plan for those state employees hired after July 1, 2005. A non-contributory participant who leaves state employment and returns after six months is automatically enrolled in the contributory plan; an employee who is in the non-contributory plan and who leaves and returns within less than six months may choose between the non-contributory and contributory option. Act 140 of 2011 allows non-contributory APERS members to move to the contributory plan between July 1, 2011, and December 31, 2011. Members are fully vested after five years of service; this applies to both the contributory and non-contributory plans.

In the non-contributory and the new contributory plan, members are eligible for full benefits at age 65 with five years of service or at any age with 28 years of service. Members may retire with reduced benefits anytime after age 55, with at least five years of service.

### ***Non-contributory***

Currently, retirement benefits are based on a formula that includes a multiplier, final average salary, and years of service. The final average salary is an average of the member's three highest-paying years. Which multiplier is used depends on the years of service being calculated: For years of service prior to July 1, 2007, Act 220 of 2007 raised the non-contributory multiplier to 1.75%. For years of service after July 1, 2007, the non-contributory multiplier is 1.72%.

For example, an employee at age 65 with 28 years of service with a final average salary of \$20,000 a year retires on July 1, 2012. Assuming the employee has chosen to remain in the non-contributory plan, that employee's benefit would be calculated by multiplying 23 years of service (everything prior to July 1, 2007) by the final average salary of \$20,000 and the adjusted multiplier of 1.75%:

$$1.75\% \times \$20,000 \times 23 \text{ years} = \$8,050$$

This would be added to the result of multiplying 5 years of service (that which is after July 1, 2007) by the final average salary and the 1.72% multiplier:

$$1.72\% \times \$20,000 \times 5 \text{ years} = \$1,720$$

These two amounts would be added together for an annual benefit of \$9,770.

### ***Non-contributory supplemental benefit***

Employees in the non-contributory plan who retire before age 62 are eligible for a supplemental benefit from the date of retirement to age 62. This benefit will not be available to participants in the new contributory plan, whether they be those hired after July 1, 2005, or previously non-contributory participants who have switched to the contributory plan. The formula for the supplemental benefit, which is also known as a temporary annuity, is 0.33% x final average salary x credited service in the non-contributory plan. For example, an employee at age 60 with a final average salary of \$20,000 and with 30 years of total service retires in 2012. The supplemental benefit will be:

$$.33\% \times 20,000 \times 30 \text{ years} = \$1,980 \text{ annually}$$

The supplemental benefit ends at age 62 or when the recipient becomes eligible for Social Security, whichever is first.

## ***Contributory***

For the new contributory plan—which applies to employees hired after July 1, 2005—Act 220 of 2007 raised the multiplier to 2.03% for years of service prior to July 1, 2007. For years of service after July 1, 2007, the contributory multiplier is 2%. (A different contributory plan for public employees existed before the non-contributory plan was established in 1977. Different multipliers pertain to those who were members of this original contributory plan; for more information, please contact the Public Employees Retirement System [see “Frequently Called Phone Numbers,” page 34].)

As an example of a calculation for a contributory member, assume that same employee from the previous example (age 65 with 28 years of service and a final average salary of \$20,000 a year, retiring on July 1, 2012) did choose to move to the contributory plan on July 1, 2005. The member’s years of service prior to July 1, 2005—in this case, the 21 years spent in the non-contributory plan—are calculated with the non-contributory 1.75% multiplier:

$$1.75\% \times \$20,000 \times 21 \text{ years} = \$7,350$$

The 2 years of service between July 1, 2005, and July 1, 2007, would be calculated with the 2.03% contributory multiplier:

$$2.03\% \times \$20,000 \times 2 \text{ years} = \$812$$

The final 5 years of service between July 1, 2007, and July 1, 2012, would be calculated with the 2% multiplier:

$$2\% \times \$20,000 \times 5 \text{ years} = \$2,000$$

These three totals would be added together for an annual benefit of \$10,162, for that employee who switched to the contributory plan.

## ***28-year-plus multiplier increase***

In addition, Act 1200 of 2009 increased the multiplier for years of service above 28 years of actual service. The multiplier increased by .5% in both the contributory and non-contributory system: the non-contributory multiplier for years in excess of 28 actual years is 2.22% and the multiplier in the contributory system for years in excess of 28 actual years is 2.5%. This does not affect the multiplier for years up 28 years; only those years of actual service in excess of 28 that are worked after July 1, 2009, will use the higher multiplier.

If employees have service credit with another state-supported retirement system, they should check with PERS to see if that credit may be added toward their retirement.

### ***Benefit options***

At the time of retirement, employees have 30 to 90 days to file an application and choose a benefit option. Straight Life pays benefits for the employee's lifetime only. Under Option A-120 and A-60, monthly benefits are payable for the employee's lifetime—the beneficiary will receive the remaining monthly payments after the employee's death. Under Option B-50 and Option B-75, monthly benefits are paid for the employee's lifetime, and then a percentage of the monthly benefit is paid to the beneficiary. Act 383 of 2005 established, effective July 1, 2005, that if a retirant has selected Option B-50 or B-75, and the retirant's beneficiary passes away before the retirant does, the original unreduced benefit will be paid. Act 438 of 2001 increased the benefit percentage available to PERS retirees who retire after July 1, 2001, under the above options.

### ***Cost-of-living adjustment***

After retirement, individuals who have been retired for at least 12 months are eligible for a 3% cost-of-living adjustment (COLA) each July 1.

### ***Early retirement***

Employees who retire before reaching normal retirement age (age 65) and do not have 28 years of service have a benefit reduction of 1/2 of one percent for each month of retirement preceding age 65.

Act 1297 of 2001 applies to members and former members of PERS with at least 25 years of service but less than 28 years of service and who have not reached age 65 and who want to participate in early retirement. Upon early retirement, the member or former member shall receive his or her life annuity reduced by 1% multiplied by the number of months by which the time of early retirement precedes the earlier of either the completion of 28 years of service or the attainment of age 65.

### ***Disability retirement benefits***

Employees who have at least five years of service and have been enrolled in the retirement system for 18 of the preceding 24 months are eligible for disability retirement benefits. They must be certified totally and permanently disabled by a physician appointed by the system's board of trustees or be eligible for Federal Social Security Retirement Benefits.

### ***Death-in-service benefit***

Members of PERS with 5 or more years of service, and who die before retirement, provide benefits to their beneficiaries. Employees should notify PERS of any changes in their beneficiary.

### ***Returning to work***

Act 657 of 2009 requires an employee to wait 180 days after retiring before returning to state employment. Act 38 of 2011 states that APERS members who enter the Deferred Retirement Option Plan (DROP) on or after March 1, 2011, cannot come back to work for the state after they leave the DROP.

Act 40 of 2011 expanded the definition of “terminate,” to clarify what constitutes retirement eligibility for APERS members. The definition was expanded to include the language, “the member has ceased performing any service for the employer.”

The act further established what “terminate” does not mean, i.e., “taking a leave of absence; performing job duties or services without remuneration; or receiving or accruing additional employment related compensation, reimbursements, benefits, or other emoluments.”

Act 558 of 2011 requires APERS employers to pay a contribution for state employees who retire and come back to work for the state. (Previously, there had not been such a requirement.) To clarify: It is the *employer*, and not the employee, who is required to pay the contribution.

### ***Purchase of credited service***

Participants in PERS with military service can purchase credited service in the retirement plan (a variety of criteria apply—for more information, contact the Public Employee Retirement System). They must pay into the retirement account a sum equal to the amount the employer and employee would have deposited.

Act 1021 of 2005 allows PERS members to purchase credited service for out-of-state or local governmental service if (1) the out-of state service is not military, (2) the member has five years credited service, and (3) the service to be purchased cannot be used to provide any other benefit.

Act 1570 of 2007 allows PERS members to purchase up to five years of credited service for non-military, non-federal government service provided (1) the PERS member is 65 or older, (2) the member has at least two actual years of service with PERS, (3) the member has at least seven actual years of service with a retirement system outside Arkansas, and (4) the purchased credited service is not used for any other retirement benefit.

Act 850 of 2007 provides that a public safety member in PERS employed before July 1, 1997, who leaves employment for employment in another position covered by a state-supported retirement system, then returns to his or her original employment as a police officer or firefighter will receive public safety credited service.

Act 978 of 2011 provides that civilian firefighters of the state Military Department are to be regarded as public safety members for enhanced credited service in APERS.

### ***Deferred Retirement Option Plan***

Act 1052 of 1997 established a Deferred Retirement Option Plan (DROP) for state employees. The plan originally applied to state employees with 30 years of service, but Act 1325 of 1999 allowed the PERS board to establish a 28 and Out DROP with a reduced deferral for those with at least 28 years but less than 30. State employees must have at least 28 years of credit with PERS to defer retirement and continue in service to the state under the DROP plan. Any time purchased by a PERS member counts toward the 28-year requirement.

DROP plans allow an individual employee who has 28 years of service to continue working and defer a percentage of retirement benefits for up to seven years. After electing a Straight Life or Option benefit, an employee with 30 years of service can defer 75% of the computed benefit (raised from 70% by Act 535 of 1999).

An employee with less than 30 years but at least 28 will have his or her deferral reduced by 1/2 of 1% for every month less than 30 years he or she has served. For example, an employee who enters the 28 and Out DROP after 28 years of service will have his or benefit reduced 12%, from 75% to 63%.

Deferred funds are placed in a separate interest-bearing account for the employee. It will reflect cost-of-living adjustments and ad-hoc increases for retirees. The employee remains in his or her position, but retirement benefits are frozen. The employer ceases contributing to the retirement system for that employee.

After seven years in the DROP plan, employees must leave state government and begin drawing their retirement benefit. They may receive the deferred amount in a lump sum or as a monthly payment, or roll it over into an individual retirement account. Act 38 of 2011 states that APERS members who enter the Deferred Retirement Option Plan (DROP) on or after March 1, 2011, cannot come back to work for the state after they leave the DROP.

Employees under the DROP plan are still eligible for deferred compensation, career service recognition payments, sick and annual leave, and state employee health insurance.



Early in 2011, the Public Employees Retirement System Board took action that reduced the interest rate in participants' DROP accounts from 6% to 3% starting July 1, 2011.

### ***Partial Annuity Withdrawal Plan***

Act 357 of 2001 allows any PERS member who does not terminate employment and retire on the date that member meets the age and service requirements for an unreduced annuity (28 years of service or 65 years old with five years of service) and is not participating in the Deferred Retirement Option Plan to elect at the time of retirement to participate in the PERS Partial Annuity Withdrawal (PAW) Plan.

A member electing to participate shall be eligible to receive, at the time of retirement, a lump sum distribution in an amount not exceeding one month of benefit for each completed month of service beyond eligibility for an unreduced benefit. The lump sum shall not exceed an amount equal to sixty (60) months of benefits.

A member electing to participate shall have his or her lifetime annuity reduced by an actuarially determined equivalent in accordance with rules and regulations adopted by the Board of Trustees.

As an example, consider an employee who has 32 years of service (48 months past 28 years of service) and a base retirement benefit of \$1,000. Under the PAW plan, that employee may take a partial annuity withdrawal of up to \$48,000 (48 months  $\times$  1 month's benefit) and have his or her monthly benefit reduced by an actuarially determined amount.

### **Teacher Retirement System (TRS)**

Established in 1937, the Teacher Retirement System has both a contributory and non-contributory plan, although the non-contributory option is not available to new employees. Non-contributory members have a once-a-year option to change their status to contributory if their request is submitted before July 1. Contributory members pay 6% of their gross salary to the system. The state contributes a percentage of gross salary for both contributory and non-contributory members. Participants include employees of public schools, educational cooperatives, TRS, Department of Education divisions, the Board of Education, some institutions of higher education, and some employees of the Department of Career Education (formerly known as the Department of Workforce Education) and institutions under their oversight.

Employees must have five years of service to be fully vested. Members with at least five years of service may retire with full benefits at age 60. Act 992 of 1997 allows TRS members with 28 years of service to retire with full benefits. Members with 25 or more years of service who have not

reached age 60 may retire with reduced benefits. Act 29 of 1999 allows TRS retirants to elect to suspend their benefits.

### ***Benefit multipliers***

Act 992 of 1997 raised the multipliers for TRS. The current multiplier is 2.15% for contributory members and 1.39% for non-contributory members. To compute the benefits for the contributory option, take the final average salary  $\times$  2.15%  $\times$  years of credited service. (Act 11 of 1999 states that salary will be defined as remuneration paid an employee in a position covered by the system and on which the employer withholds federal income tax—this includes employer pick-up contributions, cafeteria plans, employee contributions to tax-sheltered annuities, and deferred compensation. Act 225 of 2011 prevents inequity in the calculation of the final average salary by removing the anti-spiking provisions for a major gap of employment under ATRS.)

Divide the total of final average salary, multiplier, and years of service by 12 for the monthly benefit. (Act 1325 of 2009 clarifies that “final average salary” is defined as the “average remuneration paid to a member during the fiscal year ending June 30 of not less than three years nor more than five years of credited service producing the highest annual average.”)

For the non-contributory option, take the final average salary  $\times$  1.39%  $\times$  years of service. Again, divide by 12 for the monthly benefit.

For employees that have been in both plans, use the contributory amount for the number of years in the contributory program and use the non-contributory figure for years in the non-contributory program, then add together. Divide by 12 for the monthly benefit. Act 396 of 1999 grants the authority to the TRS Board of Trustees to increase the benefit multiplier when actuarially appropriate and to give comparable increases to retirees.

### ***Purchase of service***

Members of TRS may purchase service credits for military service, overseas and out-of-state service, sabbatical leave, teaching in private school, and prior state service. Act 1534 of 2001 increased the amount of private school service that can be purchased in TRS from 10 to 15 years. Act 864 of 1999 allows active members of TRS to change from non-contributory service to contributory service and pay for the additional service. Act 66 of 2011 allows members of TRS to purchase armed forces reserve service credit.

### ***Disability benefits***

Disability benefits are available to members who are totally and permanently disabled and who have at least five years of service with no reduction due to age or service. Members must have a written disability application and must be certified by the TRS Medical Board as incapacitated for further job performance. Act 973 of 2011 clarifies that the onset of a disability must occur while employed as an active member in order to qualify for disability retirement under TRS.

### ***Survivor benefits***

Survivor benefits are available to survivors of active members who have at least five years of service. Spouses of deceased members with dependent children automatically become eligible for benefits. Act 1324 of 2009 clarifies the survivor benefit statutes to provide that if, at the time of death, the member had 25 or more years of credited service or had reached 60 years and was qualified to receive a benefit, then the survivor benefit will begin the month following the member's death. If the surviving spouse is not eligible to receive the benefits under the above requirements, then the surviving spouse's benefits shall begin in the month following the date the member would have been eligible to receive benefits had the member survived.

Act 977 of 2011 allows the maximum lump-sum death benefit to be paid to members who have accrued fifteen (15) years contributory service, regardless of non-contributory years of service.

### ***T-DROP***

Act 1590 of 1999 authorized the TRS Board to develop rules for a 28 and Out DROP. Like the PERS 28 and Out DROP, a 1/2 of 1% reduction in the amount deferred in the DROP account is imposed for each month prior to 30 years of service that the employee retires. For example, an employee retiring after 28 years would have his or her deferral reduced 12% in addition to whatever normal DROP deferral reduction is applicable to that employee.

Act 162 of 2011 expanded a member's options for distribution of a member's T-DROP in TRS to include a partial distribution and to include reciprocal service when calculating plan deposits.

### ***Cost-of-living adjustment***

Act 404 of 1999 gives authority to the Board of Trustees of the Teacher Retirement System to compound the cost-of-living adjustment for retirants, beneficiaries, and T-DROP participants when actuarially appropriate.

## ***Returning to work***

Act 743 of 2009 requires that any employee covered by TRS wait at least 180 days after retirement before returning to work for an employer covered by the Teacher Retirement System unless the member has attained normal retirement age. If an employee returns within the 180 days, he or she shall repay any retirement benefit which was paid to the member during the 180-day waiting period. The legislation does not apply to those members who have accumulated eight or more years in the Teacher Deferred Retirement Option Plan (DROP) before July 1, 2009.

## **State Employee Insurance**

*Delegates at the 1971 A.S.E.A. annual meeting passed a resolution urging establishment of a group health/life insurance plan for state employees. Legislation passed in 1972 authorized a group health/life insurance program. Since then, A.S.E.A. has worked with the insurance program and the General Assembly to provide a state contribution.*

***Please note:*** *The information below applies primarily to state agency employees—many of the state’s colleges and universities have different benefits. Employees of Higher Education are encouraged to contact their human resources departments for further information.*

The state health insurance plan is a self-insured plan. This means that, instead of an insurance company paying claims from its own fund of monies, the state plan’s trust fund shoulders all financial risk.

Employees who are seasonal, temporary, or who work less than 1000 hours a year are not eligible.

Act 1206 of 1995 combined the State Employee Insurance Board and the Public School Personnel Committee. Act 1280 of 1999 changed the name of the board from the Arkansas State Employees/Public School Personnel Insurance Board to the State and Public School Life and Health Insurance Board. The act changed also the board’s composition, power, and duties; placed its director and staff under the Department of Finance and Administration; and established a mechanism to identify the state contribution for retired state employee insurance premiums.

The insurance trust fund is funded by a state contribution for each budgeted position within state government and an employee contribution. The employee contribution depends on which insurance plan is chosen by the employee.

The annual enrollment period allows employees to begin or change coverage without a physical or health questions. The DF&A – Employment Benefits Division and the State and Public School Life

and Health Insurance Board determine which indemnity plan and point of service plans will be offered.

Retirees can continue state health insurance coverage after retiring from service to the state. They have 31 days to decide on their health insurance program. In most cases, the decision is irrevocable after that time. Immediately preceding retirement, employees should contact the Employee Benefits Division in order to ensure continued insurance coverage if they desire it. Act 1171 of 2001 provides some exceptions.

### ***Employee Assistance Program (EAP)***

StarEAP is the employee assistance program for state employees in cabinet agencies; it is administered through the Employee Benefits Division by LifeSynch. StarEAP offers both telephone and face-to-face counseling on such topics as depression and anxiety, eldercare and childcare issues, alcohol and chemical dependency problems, financial and credit problems, and marital and divorce issues.

Several institutions of higher education also have employee assistance programs.

## **Arkansas Cafeteria Plan**

ARCAP, established in 1990, allows employees who are in the state employee insurance plan to use pre-tax dollars for day care costs and medical expenses.

Premium conversion allows an employee to pay state employee health insurance premiums with pre-tax dollars. With premium conversion, the premium is deducted from salary before state, federal, and Social Security taxes are determined. Taxes are calculated according to the remaining pay, which results in decreased taxes and increased income.

However, an employee who is paying his or her insurance premium with pre-tax dollars cannot leave the health insurance plan during the plan year. Since state employees' participation in this program is "passive"—i.e., an employee automatically participates unless he or she requests otherwise—an employee who does not desire to participate must notify his or her agency during the enrollment process.

Day care costs may be paid with pre-tax dollars, decreasing taxes and increasing income. Participants deposit a certain amount, depending on tax brackets and marital status, into an account each year. After day care expenses are incurred on that account, employees may request tax-free withdrawals.

A flexible medical spending account covers uninsured medical charges, including deductibles, copayments, transportation, and most over-the-counter medications used to treat an illness/injury. Participants may deposit up to \$4,000 from their annual salary before taxes are deducted. Participants may request tax-free withdrawals from this account after expenses are incurred. Any balance at the end of the year is forfeited.

State employees can enroll in ARCAP during the annual enrollment period for state employee insurance.

## **Deferred compensation**

Deferred compensation, a supplemental retirement plan available to state employees, allows employees to contribute up to 25% of their annual income. The maximum deferral amount is determined annually using the Consumer Price Index.

Under Act 669 of 1975, employees can invest pre-tax dollars, reducing current income tax liability and deferring taxes on those funds.

Most state agencies participate in the Arkansas Diamond Deferred Compensation Plan, which is offered through CitiStreet. Similar plans are available through various vendors at the state's colleges and universities.

The Arkansas Diamond Plan is a voluntary "retirement savings plan" that allows payroll deduction contributions with pre-tax dollars. The employee may choose a voluntary amount to be payroll deducted up to annual contribution limits set by the IRS. The employee selects from the investment options provided by the plan. The benefit is realized through the growth of their contribution, which is tax-deferred. Upon retirement or separation, the employee may choose to receive his or her retirement savings back through lump-sum payment or monthly pay-out.

## **Classification and compensation**

Act 199 of 1969, as amended, is the Uniform Classification and Compensation Act. It establishes classifications (job titles), pay grades for each classification, the pay plan, and procedures for various personnel actions.

### ***Pay plan design***

Act 688 of 2009 amended Act 199 to establish a new classification plan and two new pay plans, the Career Service Pay Plan and the Professional/Executive Pay Plan, as well as to establish the plan's

various adjustments (shift and weekend differential, hazardous duty pay, etc.) and continue the plan's merit increases.

The Career Service Pay plan, which included nearly 25,000 employees at the time of its implementation, has 30 grades and five levels. **Entry Pay Level** is the determination of actual starting pay for an employee entering state service in a classified position whether as a new hire, a transferring employee, or a rehired former employee. (Rehired employees and transferring employees are eligible for a salary adjustment but the salary cannot exceed pay grade maximum.) **Base Pay Level** is the maximum beginning salary for Career Service classifications. Combined with the entry pay level, the base pay level establishes the base range that allows directors to authorize higher rates of pay in accordance with OPM guidelines. This flexibility allows directors the discretion to set and/or subsequently adjust the salary of a new hire employee either for recruiting purposes or for employee development. **Mid-Point** is the rate of pay midway between the base pay level and the maximum pay level for any grade. **Maximum Pay Level** is the maximum salary dollar that can be approved for labor market or exceptionally well qualified special entry rates which will require Legislative Council (ALC) approval. Employees with less than 15 years of service cannot advance above the maximum salary. **Career Pay Level** is only for current employees with at least 15 years of service, satisfactory performance, and who meet the guidelines established by OPM and ALC.

The Professional/Executive Pay Plan, which included approximately 400 employees at the time of its implementation, has 22 grades and three levels: **Base, Midpoint, and Maximum.**

*The passage of the renovated pay plan is the conclusion of many years of effort on the part of the Arkansas State Employees Association, which has long endorsed a revision of the classification and compensation plan to address a number of its inadequacies. The original impetus for this undertaking was a resolution from the 2004 A.S.E.A. annual convention which established that the association would "work with the administration and legislators to conduct a comprehensive study of the classification system."*

## **Promotions**

Under Act 688, a promoted employee in the Career Service Pay Plan will be eligible for a 10% increase when promoted. An employee who is promoted from a position on the Career Service Pay Plan to a position on the Professional/Executive Plan will be eligible for a 12% increase. A voluntary or involuntary demotion to a lower grade will reduce the salary of an employee in the Career Service Pay Plan by 10%; demotion from the Professional/Executive Pay Plan to the Career Service Pay Plan will reduce salary by 12%.

## ***Merit Increases***

Act 1017 of 2011 authorizes merit increases for all employees of state agencies, boards, commissions, and institutions of higher education—except faculty and non-classified employees in higher education. To be eligible, an employee shall have continuous employment with the state in a regular full-time position for 12 months or shall have completed 2,080 hours as a part-time employee in a regular salary position.

*Act 1017 also authorizes the Chief Fiscal Officer to lower merit increases and/or cost-of-living increases if funding is not available.*

Employees who receive a “satisfactory” rating under an approved performance evaluation system shall be eligible for up to a one and one-half percent (1½%) merit increase. Employees who receive an “above average” rating shall be eligible for up to a three percent (3%) merit increase. Employees who receive an “exceeds standards” rating shall be eligible for up to a four and one-half percent (4½%) merit increase.

Merit increases, when and if given, will be lump-sum payments, as opposed to a percentage increase added to an employee’s salary.

## ***Cost-of-living adjustment***

Act 1017 of 2011 contains language providing for a cost-of-living adjustment; however, the funding for the cost-of-living adjustment was not legislatively approved, which means that state employees will not be receiving a COLA in fiscal year 2012 (July 1, 2011 – June 30, 2012). It cannot be determined as of press time of the *Benefits Review* whether a COLA in fiscal year 2013 will be provided.

State employees are also eligible for up to an additional 2% increase each year of the biennium should funds become available.

*A.S.E.A. was essential not only in the inclusion of the provision for an additional increase should funds become available, but was instrumental also in changing the cost-of-living increase from a once-every-two-year adjustment to an annual one.*

## ***Annual performance evaluations***

All agencies, boards, commissions, and institutions of higher education are required to evaluate each classified employee annually. The evaluation process shall begin 90 days before the employee’s eligibility date and be completed 30 days before the employee’s eligibility date.



## ***Career Service Recognition***

*In 1989, A.S.E.A. proposed a lump-sum payment for career employees. The result was Act 882 of 1989, which established the Career Service Recognition Program. In 1991, Act 566 was passed at A.S.E.A.'s request. The act extended the program to non-faculty employees of institutions of higher education.*

Career Service Recognition payments, in honor of completing 10 years of service to the state as a classified employee, include all state employees and non-faculty employees of institutions of higher education.

The program was established by Act 882 of 1989. In 2007, Act 386 increased the payments to the following levels: \$600 payments for 10-14 years of service, \$700 payments for 15-19 years of service, \$800 payments for 20-24 years of service, and \$900 payments for 25 or more years of service. The act furthermore established that Career Service Recognition payments will be considered compensation in determining retirement benefits.

Authorized leave without pay, military service, or leave for military service while exercising veterans' reemployment rights will not be counted against career service recognition payments.

All payments are taxable by state and federal government.

## ***Direct deposit***

Delegates at several A.S.E.A. annual conventions adopted resolutions supporting direct deposit of salary warrants. At the association's request, legislation was introduced and passed in 1991 to authorize direct deposit.

Act 421 of 1991 authorized the chief fiscal officer, the state treasurer, and the state auditor to establish a direct deposit system. As a result, employees have the option of having their paychecks deposited directly into their financial institution account. Act 1887 of 2005 established that all employees hired after August 11, 2005, would automatically be paid by direct deposit, allowing the Chief Fiscal Officer to make exceptions for hardship situations.

## ***Payroll deduction***

Act 1122 of 1995 allows certain expenses to be deducted from employees' paychecks; it authorizes—among other deductions—taxes, social security contributions, retirement plan fees, insurance deductions, credit union payments, U.S. savings bonds, A.S.E.A. dues, SEBCO fees, and union dues.

Other allowed deductions are contributions to major federated fund-raising organizations and dues for the Arkansas State Police Association, the Fraternal Order of Police, the Arkansas

Rehabilitation Association, the Correction Peace Officers Foundation, the Arkansas Department of Correction Employees Association, the Arkansas Association of Correctional Employees Trust, and the Department of Correction Bus Pool.

### ***Employee Suggestion Award***

Act 763 of 1979 was drafted by A.S.E.A. and passed by the General Assembly to provide monetary recognition to employees whose ideas improve efficiency or save money in state government. The legislation has been amended to increase the monetary award.

Full-time employees are eligible to participate in the Employee Suggestion Award program. It provides monetary awards for ideas that improve the economy and efficiency of state government.

Since legislation was drafted for this award, hundreds of suggestions have been implemented, resulting in first-year savings to the state of more than \$4 million.

An official suggestion form may be obtained from the Office of Personnel Management website (see frequently used Internet addresses on page 34). OPM personnel will send each suggestion to the appropriate agency director, who will respond within 60 days.

All suggestions must state the specific problem, proposed resolution, and projected benefits to the state. The following suggestions may not be submitted:

- Expressions of a personal complaint or grievance.
- Alterations in classification, compensation, or staffing.
- Improvements outside the scope of state government.
- Suggestions of a study or survey.
- Alterations in a program, process, or method covered by moratorium.
- Duplications of a suggestion submitted within the previous two years.

All suggestions must be delivered by the U.S. Postal Service.

If the suggestion is approved, employees are eligible to receive 10% of the net savings during the first year of its implementation, up to \$5000. The employee will receive \$100 if the net savings total less than \$100. All monetary awards are taxable income.

If the idea would result in improving a process or program, or improving public relations, safety, or effectiveness of a process, the employee will be awarded a certificate and \$100.

In the event of rejection, employees may file appeals within 30 days of the decision.

Copies of the evaluation documentation may be obtained through the Employee Suggestion System.

## ***Pay plan***

A.S.E.A. is the only organization that has regularly met with the Legislature and testified before legislators to improve the state pay plan.

The most recent pay plan was authorized through Act 1017 of 2011. The 2011-2013 Career Service Pay Grid appears on page 27; the 2011-2013 Professional Pay Plan Grid appears on page 28.

## ***Meal and lodging reimbursement***

Act 795 of 1997 changed meal and lodging rates so that state employees will be reimbursed at a rate which does not exceed the Federal Travel Directory maximum. Act 715 of 2007 allows for reimbursement to state employees for payment of tips while traveling on state business provided (1) the tip reimbursement does not exceed 15% of the meal total and (2) total reimbursement for meals and tips does not exceed the maximum allowable rate.

The mileage reimbursement rate for employees who use their own vehicles in the course of state business is set by the Chief Fiscal Officer. It was announced that, as of March 1, 2009, the mileage rate would be temporarily set at 42 cents per mile, a figure that can be raised or lowered in the future based on gasoline prices. Also, agencies are authorized to reimburse for mileage at a rate less than the authorized state maximum rate if the agency budget is insufficient to fund the maximum.

Act 1021 of 2011 set the reimbursement rate for personal use of a state-owned vehicle at the same rate the state agency director reimburses employees for private vehicle usage for state business.

## ***Severance Pay***

Act 688 of 2009 authorizes a lump sum payment for employees laid off due to budget cuts or program elimination. The payments are to be made as follows:

- \$800 for employees with 1 – 5 complete years of service;
- \$1,200 for employees with 5 – 15 complete years of service; and
- \$1,600 for employees with more than 15 years of complete service.

## **Career Service Pay Grid 2011–2012**

<i><b>Grade</b></i>	<i><b>Entry</b></i>	<i><b>Base</b></i>	<i><b>Midpoint</b></i>	<i><b>Maximum</b></i>	<i><b>Career</b></i>
C101	\$15,080	\$15,683	\$18,663	\$21,643	\$23,374
C102	\$15,512	\$16,467	\$19,761	\$23,054	\$24,899
C103	\$16,288	\$17,291	\$20,922	\$24,553	\$26,517
C104	\$17,102	\$18,155	\$22,149	\$26,144	\$28,235
C105	\$17,957	\$19,063	\$23,448	\$27,832	\$30,059
C106	\$18,855	\$20,016	\$24,820	\$29,624	\$31,994
C107	\$19,798	\$21,017	\$26,271	\$31,525	\$34,048
C108	\$20,788	\$22,068	\$27,805	\$33,543	\$36,227
C109	\$21,827	\$23,171	\$29,427	\$35,684	\$38,538
C110	\$22,919	\$24,330	\$31,142	\$37,954	\$40,991
C111	\$24,065	\$25,546	\$32,955	\$40,363	\$43,592
C112	\$25,268	\$26,824	\$34,871	\$42,918	\$46,351
C113	\$26,531	\$28,165	\$36,614	\$45,064	\$48,669
C114	\$27,858	\$29,573	\$38,445	\$47,317	\$51,102
C115	\$29,251	\$31,052	\$40,367	\$49,683	\$53,657
C116	\$30,713	\$32,604	\$42,386	\$52,167	\$56,340
C117	\$32,249	\$34,234	\$44,505	\$54,775	\$59,157
C118	\$33,861	\$35,946	\$46,730	\$57,514	\$62,115
C119	\$35,554	\$37,743	\$49,067	\$60,390	\$65,221
C120	\$37,332	\$39,631	\$51,124	\$62,616	\$67,626
C121	\$39,199	\$41,612	\$53,264	\$64,915	\$70,108
C122	\$41,159	\$43,693	\$55,490	\$67,287	\$72,670
C123	\$43,217	\$45,877	\$57,806	\$69,734	\$75,312
C124	\$45,377	\$48,171	\$60,214	\$72,257	\$78,038
C125	\$47,646	\$50,580	\$62,719	\$74,858	\$80,847
C126	\$50,029	\$53,109	\$65,324	\$77,539	\$83,742
C127	\$52,530	\$55,764	\$68,032	\$80,301	\$86,725
C128	\$55,156	\$58,553	\$70,849	\$83,145	\$89,796
C129	\$57,914	\$61,480	\$73,776	\$86,072	\$92,958
C130	\$60,810	\$64,554	\$76,819	\$89,085	\$96,212

## Professional/Executive Pay Plan Grid 2011–2012

<i>Grade</i>	<i>Base</i>	<i>Midpoint</i>	<i>Maximum</i>
N901	\$65,000	\$73,125	\$81,250
N902	\$67,600	\$76,050	\$84,500
N903	\$70,304	\$79,092	\$87,880
N904	\$73,116	\$82,256	\$91,395
N905	\$76,041	\$85,546	\$95,051
N906	\$79,082	\$88,968	\$98,853
N907	\$82,246	\$92,526	\$102,807
N908	\$85,536	\$96,228	\$106,919
N909	\$88,957	\$100,077	\$111,196
N910	\$92,515	\$104,080	\$115,644
N911	\$96,216	\$108,243	\$120,270
N912	\$100,065	\$112,573	\$125,081
N913	\$104,067	\$117,075	\$130,084
N914	\$108,230	\$121,759	\$135,287
N915	\$112,559	\$126,629	\$140,699
N916	\$117,061	\$131,694	\$146,327
N917	\$122,914	\$138,279	\$153,643
N918	\$130,289	\$146,575	\$162,862
N919	\$139,410	\$156,836	\$174,262
N920	\$150,562	\$169,383	\$188,203
N921	\$164,113	\$184,627	\$205,141
N922	\$180,524	\$203,090	\$225,655

## **Purchase of Goods**

Act 1182 of 2005 allows employees of agencies and institutions of higher education to purchase goods produced by the Department of Correction's Industry Division. Goods purchased by employees shall be for personal use only and not for resale.

## **Freedom of Information Act (FOI)**

*In 1985, an attorney general opinion by Steve Clark opened all public employee personnel records to Arkansas citizens. An A.S.E.A. representative served on a Governor's committee to amend the legislation to balance the employee's privacy with the public's right to know. Later, A.S.E.A. would work with the General Assembly to exempt state employees' home addresses from the Freedom of Information Act for privacy purposes.*

Under the Freedom of Information Act of 1967, as amended by Act 49 of 1987, personnel records of all state employees are open to public inspection by Arkansas citizens. Records that are not included are state income tax records, medical records, scholastic records, undisclosed investigations by law enforcement agencies of suspected criminal activity, and personnel records if they would constitute a clearly unwarranted invasion of personal privacy.

Evaluation records are open only if they were the cause for suspension or termination. Evaluation records can be opened only after the administrative appeal process is complete. Home telephone numbers and salaries are open under FOI, according to the attorney general, but Act 1336 of 2001 exempted state employees' home addresses, "except the custodian of the records shall verify and employee's city or county of residence or address on record upon request." If an Arkansas citizen requests personnel records of a specific employee, the employee must be contacted within a 24-hour period. The attorney general may give an opinion stating whether the request is consistent with the act. The employee retains access to any personnel and evaluation records that are exempt from disclosure.

Under FOI, all meetings of governing bodies and school districts, boards, commissions, bureaus, and organizations of the state of Arkansas, except grand juries, are open to the public. The time and place must be furnished to anyone who requests the information. All media in the county in which the meeting is to be held must be notified of the time, place, and date at least two hours before any public meeting. Any other media that regularly cover government meetings must be notified of the time, place, and date at least two hours before any public meeting.

Executive sessions are permitted only for personnel actions. Act 771 of 2009 states that a public employer shall not take adverse action against a public employee because the employee or someone authorized to act on behalf of the employee requested records under the Freedom of Information Act.

## **Selective Service**

Act 228 of 1997 requires all applicants for state employment or enrollment in a public institution of higher education to comply with the Military Selective Service Act.

## **Political Activities**

Act 1214 of 1997 allows state employees to run for public office if their position is not covered by the federal Hatch Act. The Hatch Act states that employees in federally-funded positions may not run for public office.

Act 658 established the Public Employees Political Freedom Act of 1999. Under this act, a public employee may not be prohibited from communicating with an elected public official concerning matters related to that employee's job. The act exempts matters under 25-19-105.

## **Whistleblower Act**

Act 1523 of 1999 established the Arkansas Whistleblower Act to protect public employees from discharge or retaliation because the employee reports, in good faith, the existence any waste of public funds or violations of state law, rule, or regulation. The act sets up procedures and remedies for public employees reporting the above-mentioned alleged waste or violations. Act 601 of 2003 extends the protection to a public employee for revealing waste of federal funds administered by a public employer.

## **Background checks**

Designated state employees must undergo both a state and national background check under Act 482 of 2003. This mainly applies to those who have direct contact with children, developmentally disabled adults, or mentally ill adults. Act 1422 of 2005 also included new and incumbent employees in designated financial or information technology positions. All incumbents in designated positions must have a subsequent criminal background check completed within five

years of the initial background check and every five years thereafter. Act 1422 furthermore itemizes the criminal activities that can preclude an individual from state employment.

A.S.E.A. worked with the sponsor of Act 482 to ensure that state agencies will provide necessary funds to pay for the state and national background checks.

Act 679 of 2009 provides that a public servant who is convicted of a felony or pleads nolo contendere to any offense related to his or her office, position, or employment shall forfeit the office. The individual shall be disqualified and barred from any employment, any position, or any office in a government body.

## **Nepotism**

Act 2262 of 2005 prohibits a relative (husband, wife, mother, father, step-mother, step-father, mother-in-law, father-in-law, brother, step-brother, sister, step-sister, half-brother, half-sister, step-daughter, step-son, daughter-in-law, son-in-law, uncle, aunt, first cousin, nephew, or niece) from supervising another relative. The Act also requires that employees who marry after the effective date of the act may not directly supervise a spouse and furthermore requires that one of the employees be transferred or resign. The Act provides for civil penalties.



# **For A.S.E.A. members only**

## ***Benevolent fund***

A.S.E.A. maintains a benevolent fund to assist the survivors of both active, dues-paying members as well as certain retiree members. In the event of the death of any active member who has been a member for 12 or more months, the benevolent fund will pay \$1000 to the beneficiary named by the member. If the member has not designated a beneficiary with A.S.E.A., the benevolent fund payment will be made to the member's estate. If the death is due to accidental causes, the 12-month membership requirement will be waived.

Payment will be made regardless of cause of death except in these circumstances:

- Intentional self-inflicted injury within two years of joining A.S.E.A.
- War or any act of war.
- Insurrection, rioting, or police duty as a member of any military, naval, or air organization.
- Committing or attempting to commit a felony.
- Accidental death occurring from operating any unlicensed aircraft or while illegally operating any aircraft.

## ***Retiree Benevolent Fund***

A benevolent fund payment of \$250 is available for the named beneficiary or estate of retired A.S.E.A. members who meet the following criteria:

- Membership for a total of 20 or more years prior to retirement.
- Conversion to retiree status within 60 days after retirement.
- Maintenance of continuous membership after retirement.

Members may add or change a beneficiary by requesting a beneficiary form from the A.S.E.A. office in Little Rock. (The same exclusions apply to the retiree benevolent fund as do to the active benevolent fund.)

## ***Credit Union Participation***

A.S.E.A. members are eligible to join the Arkansas Employees Federal Credit Union located in downtown Little Rock.

### ***SEBCO deduction***

A.S.E.A. members may deduct premiums for optional benefits offered through the State Employees Benefit Corp., or SEBCO. These include dental insurance, automobile insurance, homeowners' and renters' insurance, life insurance, disability insurance, cancer insurance, long-term care insurance, an identity theft protection program, and VanPool fees. SEBCO is a subsidiary of A.S.E.A.

### ***Purchasing Power***

A variety of electronic products, such as home computers, are available for purchase through payroll deduction through the Purchasing Power program offered as an additional benefit to members. For more information, visit the A.S.E.A. website at [www.aseaar.org](http://www.aseaar.org), or Purchasing Power at [www.Arkansas.PurchasingPower.com](http://www.Arkansas.PurchasingPower.com).

### ***Partners Program***

The Partners Program is a member discount program that offers discounted rates to attractions, restaurants, accommodations, and more! If you are an A.S.E.A. member and have not already requested a Partners Program membership card, contact the association office at 378-0187 (or 1-800-950-8139 from outside Pulaski County) or e-mail your request to [bbrannen@aseaar.org](mailto:bbrannen@aseaar.org). Don't forget to check out the "Partners Program" link at the A.S.E.A. website—[www.aseaar.org](http://www.aseaar.org)—for more details and announcements of new offers!

## **Frequently-called phone numbers and -used Internet addresses**

Arkansas State Employees Association .....	378-0187 • *1-800-950-8139	<a href="http://www.aseaar.org">www.aseaar.org</a>
State Employees Benefit Corp. (SEBCO) .....	378-0187 • *1-800-950-8139	
Public Employees Retirement System.....	682-7800 • *1-800-682-7377	<a href="http://www.apers.org">www.apers.org</a>
Teacher Retirement System .....	682-1517 • *1-800-666-2877	<a href="http://www.artrs.gov">www.artrs.gov</a>
Employee Benefits Division .....	682-9656 • *1-877-815-1017	<a href="http://www.ARBenefits.org">www.ARBenefits.org</a>
BlueCross BlueShield.....	378-2000 • *1-800-238-8379	<a href="http://www.arkbluecross.com">www.arkbluecross.com</a>
Health Advantage/ HMO Arkansas .....	378-2364 • *1-800-482-8416	<a href="http://www.healthadvantage-hmo.com">www.healthadvantage-hmo.com</a>
NovaSys Health.....	219-4444 • *1-800-294-3557	<a href="http://www.novasyshealth.com">www.novasyshealth.com</a>
Minnesota Life .....	*1-800-843-8358	<a href="http://www.minnesotalife.com">www.minnesotalife.com</a>
AR Diamond Deferred Compensation Plan .....	301-9900 • *1-866-271-3327	<a href="http://myplan.csplans.com">http://myplan.csplans.com</a>
Fringe Benefits Management Co.....	*1-800-865-3262	<a href="http://www.fbmc-benefits.com">www.fbmc-benefits.com</a>
Arkansas Employees Federal Credit Union.....	374-8346 • *1-800-627-5585	<a href="http://www.arkansasefcu.org">www.arkansasefcu.org</a>
Employee Suggestion Award Program.....	682-5139	<a href="http://www.dfa.arkansas.gov/offices/personnelManagement/Pages/employeeSuggestionSystem.aspx">http://www.dfa.arkansas.gov/offices/personnel Management/Pages/employeeSuggestionSystem.aspx</a>
LifeSynch .....	*1-866-378-1645	<a href="http://www.lifesynch.com">www.lifesynch.com</a>
Purchasing Power.....	1-800-537-3134	<a href="http://www.Arkansas.PurchasingPower.com">www.Arkansas.PurchasingPower.com</a>

*\*For use outside Pulaski County*